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#### EDITORIALS

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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, July 10

NIKKEI (Page 2) (Full)

July 11, 2007

08:41

Attended a Security Council meeting at Kantei, and then attended a cabinet meeting. METI Minister Amari remained.

09:35

Attended an LDP executive meeting at LDP headquarters, and

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afterwards, met with Minister of Internal Affairs and Communications Suga. After him, met with Secretary-General Nakagawa and Deputy Secretary-General Motegi.

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10:31

Interviewed by sports dailies.

11:11

Met with incoming and outgoing vice justice ministers Ozu and Obayashi, and incoming and outgoing Financial Services Agency directors-general Sato and Gomi at Kantei. Later, met with Cabinet Intelligence Office Director Mitani.

11:43

Met with Vice President Couchepin of Switzerland.

12:11

Met with Representative Sumie Ikeda of the national association of plaintiffs among war-displaced Japanese and others, joined by Takeshi Noda, chair of the ruling coalition's project team to help war-orphans, and others.

13:53

Filmed message for campaign broadcast at the NHK Broadcasting Center at Jinnan.

16:13

Shooting of campaign ads for the Upper House election at LDP headquarters.

17:51

Met with Chair Kunihiro Matsuo of the third-party pension panel at Kantei.

18:28

Filmed message for campaign broadcast at the NHK Broadcasting Center.

20:05

Met with Acting Secretary-General Ishihara, LDP Public Relations Headquarters Chairman Futada and Publicity Division Director Katayama.

20:41

Arrived at Kantei.

22:07

Appeared on a TV-Asahi program in Roppongi.

22:58

Arrived at Kantei residence.

4) ASDF's Iraq mission extended by one year

SANKEI (Page 5) (Full)  
July 11, 2007

The government decided at a cabinet meeting yesterday to make changes to the basic deployment plan in order to extend the Air Self-Defense Force's airlift support mission in Iraq for one year through July 2008 in accordance with the Iraq Special Measures Law. The step followed the government's decision to extend the Iraq

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Special Measures Law for two years from the end of this month to the end of July 2009.

5) Missile defense: Japan, US conduct joint training for Aegis data communications

MAINICHI (Page 3) (Full)  
July 11, 2007

Amid the growing threat of North Korea's ballistic missiles, the Maritime Self-Defense Force and the US Navy conducted joint training with the participation of their Aegis-equipped vessels, the Defense Ministry announced yesterday. The joint training was carried out in waters near Japan for data communications in missile defense (MD). They carried it out about five times previously, ministry officials said. In May this year, Japan and the United States reached an intergovernmental agreement at their security consultative committee to share MD-related intelligence at all times. The training conducted this time was apparently intended to integrate military intelligence between Japan and the United States.

According to the Defense Ministry, the training was carried out under a scenario that simulated a ballistic missile headed for Japan. In the training sessions, Japanese and US radar networks picked up the target with the participation of Aegis ships from both countries as well as airborne warning and control system (AWACS) aircraft from Japan.

The US Navy 7th Fleet's website made public the joint training on July 9, and the Defense Ministry admitted to the fact. According to the website, the MSDF and the US Navy carried out joint training on July 6, in which information about the path of a missile was transmitted to the prime minister's office within about one minute after its launch. In addition, the website also says the next session of joint training is scheduled for November.

6) US military website gives details of Japan-US joint missile defense exercise; Defense Ministry refuses to reveal details

TOKYO SHIMBUN (Page 2) (Full)  
July 11, 2007

The Maritime Self-Defense Force and the US Navy conducted a joint missile defense (MD) exercise in waters near Japan on July 6, it was learned yesterday. Despite the fact that the joint exercise is discussed in detail on a US military website, the Defense Ministry has refused to make public the contents of the exercise, citing the security of intelligence.

According to the website of the US Navy 7th Fleet, three US Aegis ships, one MSDF Aegis vessel, and Air Self-Defense Force early warning aircraft took part in the joint exercise. The exercise included sharing tracking information on a Japan-bound ballistic missile and passing the tracking information to the Prime Minister's Official Residence (Kantei). The information necessary for making a decision on intercepting the missile reached the Kantei in about one minute, according to the website. The website indicated that the July 6 exercise was the fifth since last September.

Meanwhile, a senior Defense Ministry official simply said: "We would like to abstain from making any comments on the contents of the exercise made public by the United States."

7) Joint training relocation to Misawa from July 16

MAINICHI (Page 3) (Full)  
July 11, 2007

The Air Self-Defense Force and the US Air Force will conduct joint training for a period of six days from July 16 through July 21, with their respective fighter jets relocated to an airbase in Misawa, Aomori Prefecture, government officials said yesterday. According to the Defense Facilities Administration Agency, the planned training will be carried out with the participation of about five F-15 fighters from the US Kadena Air Base and ASDF F-2 and F-4 fighters based at Misawa. Actual dogfight training will be carried out from July 17 through July 20.

8) Gov't deems it difficult for Japan to intercept US-bound missiles

MAINICHI (Page 3) (Full)  
July 11, 2007

The government decided in yesterday's cabinet meeting to adopt an answer in written form over the question of whether it is possible for Japan's missile defense system to intercept a ballistic missile that could be headed for the United States, stating that it is "technically extremely difficult" for Japan to intercept it with its current intercept missiles, given its altitude and speed. With this, the government reconfirmed the technical difficulty of intercepting a ballistic missile. Prime Minister Abe had told officials to study this matter in connection with the advisability of exercising the right of collective self-defense.

The statement was in reply to a question asked by Kiyomi Tsujimoto from the Social Democratic Party (Shaminto). Intercepting a US-bound missile could fall under the category of collective self-defense.

9) Yanai: Panel to produce report allowing country to use collective defense right

ASAHI (Page 4) (Abridged slightly)  
July 11, 2007

Shunji Yanai, chair of the blue-ribbon panel studying the right to collective self-defense and a former ambassador to the United States, revealed in an interview with the Asahi Shimbun yesterday a plan to produce a report in the fall to urge Prime Minister Shinzo Abe to allow the country to exercise the right to collective self-defense. Using the right is prohibited in accordance with the government's interpretation of the Constitution. Yanai highlighted the need to change the government's interpretation, saying, "The government must abandon its interpretation that no longer fits reality."

The blue-ribbon panel is the prime minister's personal advisory panel. Of the four scenarios presented by the prime minister, the panel has discussed: (1) whether Japan can defend a US warship on the high seas, and (2) whether Japan can intercept a US-bound missile. A view allowing Japan to exercise the right to collective defense has been dominant in the panel.

In the interview, Yanai pointed out the North Korean nuclear and

missile issues and China's military buildup in the post-Cold War era. Yanai also revealed a plan to produce a conclusion based on what was discussed by the panel, saying: "The background has changed, so the government's interpretation must change accordingly. That's the opinion of the members of the panel."

In the panel's inaugural meeting in May, the prime minister indicated that in the event the panel has concluded that the country should be allowed to exercise the right in all four scenarios, it

must present a clear brake to the public. Touching on this point, Yanai indicated a plan to mention in the report the need to take appropriate legal steps, noting: "A brake will be shown in the form of a general law (pertaining to the overseas dispatch of the Self-Defense Forces) and the like."

Yanai also said that the panel would produce a report concluding that Japan should be allowed to use the collective defense right regardless of the outcome of upcoming House of Councilors election.

Of the four scenarios, the panel will discuss on Aug. 8 the question of how the Self-Defense Force should respond to an attack on other countries' soldiers who are taking part in the same operations, such as UN peacekeeping operations. The government has regarded such a case as a situation that might lead to the use of force overseas, which is prohibited under the Constitution.

10) No record of postwar protest to US over A-bombings: gov't

MAINICHI (Page 3) (Full)  
July 11, 2007

The government decided in yesterday's cabinet meeting to adopt an answer in written form over the US military's atomic bombings of Hiroshima and Nagasaki near the end of World War II, stating that Japan has lodged no protest with the United States since the war ended. This statement is in reply to a question raised by Muneo Suzuki, who represents the New Party Daichi (Shinto Daichi), after former Defense Minister Fumio Kyuma's remarks over the dropping of atomic bombs on Japan.

The statement notes that the A-bombings "brought about a situation that "caused damage in extremely expansive areas" and is "extremely regrettable in view of humanitarian concerns." It says the government "has not confirmed" that Japan lodged a protest directly with the United States after the war concerning the A-bombings. It also stresses: "Today, more than 60 years after the war ended, it is more important to aim for a nuclear-free, peaceful, and safe world and continue realistic and steady efforts for nuclear disarmament rather than to protest the United States."

The Japanese government sent a letter of protest to the United States through Switzerland, a neutral nation, on Aug. 10, 1945, before the war ended.

11) Six-party talks likely to occur on July 18-19, says government official

MAINICHI (Page 1) (Full)  
July 11, 2007

Final coordination is underway to have a session of the chief representative to the six-party talks on the North Korean nuclear

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issue in Beijing on July 18-19, a Japanese government official revealed yesterday. The host nation China is expected to announce a timetable for the session in a couple of days. The multilateral talks, if realized, would be resumed after a lapse of some four months since it went into recess over how to remit North Korea's funds then deposited in the Banco Delta Asia in Macao.

US Assistant Secretary of State Hill to arrive in Beijing on July 17

Toshihiko Kasahara, Washington

The US Department of State yesterday announced that Assistant Secretary of State Hill, the US chief delegate to the six-party

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talks on the North Korean nuclear issue, would travel to Japan, South Korea, and China starting on July 13. Anticipating a session of the chief representatives to the six-party talks would be resumed sometime next week, Hill plans to visit those three countries, and ahead of the session, he will iron out the differences of opinions

(with his counterparts of those countries). Hill is to stay in Japan until July 15 and fly to South Korea and stay there from July 15 to 17 but on the evening of the 17th, he is to fly to Beijing to make preparations for the resumption of the six-party talks.

12) Japan, China to work together to help Africa; Bilateral bureau director-level talks expected to take place possibly in September

NIKKEI (Page 2) (Full)  
July 11, 2007

The governments of Japan and China are going to join hands to offer official development assistance (ODA) to Africa. They plan to hold the first round of talks of bureau director-level officials in charge of Africa in Tokyo possibly in September and confirm that the two countries will work together to enhance the efficiency of ODA. Japan and China also are expected to agree to launch a new joint aid project.

There are some who question China's aid to Africa for its uncertainties, including how the aid has been used, because Beijing has failed to make clear the accurate aid amount. The United States and European countries are criticizing China for its opaque way of offering aid to the Sudanese government, noting that its aid has helped the Darfur conflict to escalate. One reason Japan plans to work together with China to help Africa seems likely to prompt China to improve the transparency of its aid.

13) Official campaign for Upper House election to start tomorrow; 377 candidates likely to run

SANKEI (Page 1) (Full)  
July 11, 2007

The 17-day official campaign for the 21st House of Councillors election will kick off tomorrow, with voting on July 29. The upcoming election will be the first national election for the Prime Minister Shinzo Abe, president of the ruling Liberal Democratic Party (LDP), who assumed office last September. Ichiro Ozawa, president of the largest opposition party Minshuto (Democratic Party of Japan), has expressed his determination to stake his political life on this election. The ruling and opposition parties will fight fiercely over securing a majority of the Upper House seats.

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According to the calculation of Sankei Shimbun as of July 10, a total of 377 candidates -- 219 for the electoral districts and 158 for the proportional representation segment -- are expected to run in the July 29 election, a large increase from the 320 candidates for the 2004 Upper House race. The People's New Party and New Party Nippon, which were established by those who opposed the government's postal-privatization program on the occasion of 2005 House of Representatives election, will field candidates for the first time. The number of female candidates also will increase to 91 from the 66 of the 2004 election. The number of seats up for reelection will be 121 -- 73 for the electoral district seats and 48 proportional representation seats. Regarding the electoral district seats, one seat has been added to the Chiba and Tokyo districts respectively, while one seat has been decreased in Tochigi and Gunma.

The ruling LDP and its coalition partner New Komeito will be required to win 64 seats in order to maintain a majority (121 seats) in the Upper House. Abe intends to play up his government's achievements over the past nine months -- the revision of the Basic Education Law and the enactment of a national referendum bill setting constitutional amendment procedures.

The opposition bloc aims to put the ruling coalition into the minority in the Upper House. Ozawa said, "If we fail to win the race, there will be no need for me to remain in the political world." The opposition has strengthened its offensive by taking advantage of the pension record fiasco, the resignation of Defense Minister Fumio Kyuma, as well as Agriculture Minister Norihiko Akagi's political management office's expenditure problem.

14) Prime minister trying to put end to Akagi scandal by playing up "achievements"

NIKKEI (Page 2) (Excerpts)  
July 11, 2007

In reference to a political-fund scandal involving Agriculture, Forestry and Fisheries Minister Norihiko Akagi, Prime Minister Shinzo Abe yesterday reiterated his view that there was no problem with his accounting of costs in an apparent attempt to put an end to the problem. Prior to the official announcement of the House of Councillors election tomorrow, the prime minister aims to turn around the situation by underscoring the achievements his administration has made so far. But the opposition camp is continuing to attack the ruling camp over the scandal. It remains to be seen if the tide will turn as the prime minister hopes.

Akagi reiterated in a press conference after a cabinet meeting yesterday that there has been no fictitious booking of costs. In response, the prime minister told reporters: "The agriculture minister told me that he has properly distinguished public and private matters." Chief Cabinet Secretary Yasuhisa Shiozaki said in a press briefing: "The agriculture minister spent over an hour explaining the matter. He made to provide a further explanation in the future if the situation warrants."

The Abe administration has been dogged by scandals involving office expenses. Over funds scandals, State Minister in Charge of Administrative Reform Genichiro Sata stepped down, and former Agriculture, Forestry and Fisheries Minister Toshikatsu Matsuoka committed suicide. Abe is hoping to bring the scandal to a close in

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a hurry, fearing that allowing it to drag on could bring about a decisively negative effect on the ruling coalition in the Upper House election.

The Abe administration has judged it undesirable to allow public criticism to grow louder in reaction to the administration's stance of protecting Akagi while continuing to turn down demands from the opposition camp for Akagi to produce receipts for the office expenses in question. By reiterating a willingness to continue to seek accountability, the Prime Minister's Official Residence aims to win understanding from the public.

The prime minister is also apparently trying to play up his "achievements" as the Upper House election is coming closer.

15) Will DPJ head Ozawa take the reins of government following political realignment? Best and last chance for power change, he says

TOKYO SHIMBUN (Page 2) (Excerpts)  
July 11, 2007

Democratic Party of Japan (DPJ or Minshuto) head Ichiro Ozawa declared his decision to quit as a politician if his party loses the upcoming Upper House election. He is playing up his determination to stake his political career on the upcoming election. What is the reason for the strong-arm politician, who has played a leading role in the political world for many years, to stake everything on the upcoming election? What is his blueprint for seizing power after winning the election?

Ozawa in high spirits

Ozawa on July 5 declared that he would resign if he failed to gain control of the Upper House for the opposition. He even said three days later that he would not run in the next Lower House election if he fails.

The DPJ manifesto issued on July 9 in its 8-page outset carried his political belief of realizing a change of administration, based on a two-party system, and his checkered political career.

Behind Ozawa's viewing the Upper House election this time as his



greatest and last chance is his bitter experience.

Ozawa during the recent party head debate with Prime Minister Abe said, "Since I failed more than 10 years ago, I would like to succeed this time." By failure, he indicated the collapse of the non-LDP coalition Hosokawa and Hata cabinets, which came into existence under Ozawa's leadership before even a year had passed, due to the fragility of the coalition government at the time, as can be seen in the fact that the Socialist Party (the predecessor of today's Social Democratic Party) pulled out of the coalition.

In contrast, the DPJ has an overwhelming majority in the opposition camp. If the opposition camp wins the Upper House election, the situation would be a bit different from the past, because should that occur, it would be the DPJ that gains the majority, according to Ozawa. Ozawa is in high spirits, because if the opposition camp wins the election, the risk of being tripped by a fellow opposition party would be small.

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Ozawa was 51 when the Hosokawa administration was launched, but he is now 65. Given the rumors about his health problems, it is understandable if he thinks that the upcoming election is his last chance.

Mori criticizes Ozawa's declaration

Former Prime Minister Yoshiro Mori of the LDP in a speech given on the afternoon of July 10 in Matsuyama City criticized Ozawa for announcing his decision to resign as a politician if he fails to gain control in the Upper House election for the opposition. He said: "I do not know whether he made that statement in order to win sympathy or to encourage his party members. Anyhow, selfishly quitting is something a spoiled child would do."

He also underscored: "Mr. Ozawa says that if the ruling bloc loses its majority by even one or two seats, the world of politics can be reorganized. But if he tries to pick off individual members of the ruling parties, governance could fall into turmoil."

16) Opposition parties deem Akagi's explanation "insufficient"

NIKKEI (Page 2) (Full)  
July 11, 2007

Criticizing as "insufficient" Agriculture, Forestry and Fisheries Minister Norihiko Akagi's explanation in a press conference yesterday over a scandal linked to his office expenses, the opposition demanded again that Akagi release the details of the expenses and produce receipts.

Democratic Party of Japan (Minshuto) President Ichiro Ozawa spoke before reporters in Fukui: "There will be no other way but for him to clear up misapprehension among the public by disclosing details. It will be impossible to win public understanding as long as he keeps details closed."

Japanese Communist Party Secretary General Tadayoshi Ichida also told reporters in the Diet: "He should make the details of expenditures public and provide receipts. If he cannot do so, he should step down or be dismissed by Prime Minister Shinzo Abe." Social Democratic Party President Mizuho Fukushima assailed: "He must disclose information based on written materials."

17) Joint memorial service for Miyazawa set for Aug. 28

SANKEI (Page 5) (Full)  
July 11, 2007

Chief Cabinet Secretary Yasuhisa Shiozaki announced yesterday that the cabinet and the Liberal Democratic Party will conduct a joint memorial service for former Prime Minister Kiichi Miyazawa, who passed away on June 28, at the Nippon Budokan Hall on Aug. 28. Prime Minister Shinzo Abe will serve as the committee chief.

18) Tokyo metropolitan government to mandate CO2 emissions cut:  
Hearing to be held on July 24; Industrial circles objecting to  
decision as hampering industrial activities

SANKEI (Page 2) (Excerpts)  
July 11, 2007

TOKYO 00003151 011 OF 011

The Tokyo metropolitan government has decided to mandate large-size business entities to cut carbon dioxide emissions (CO2) for the first time as Japan's local government. Industrial circles are strengthening their objection the decision. It plans to hold on July 24 a hearing from about 30 stakeholders, such as business organizations and consumer groups. If the scheme is adopted, a similar move could spread throughout the nation. The plan is to map out a concrete system after holding three similar hearings and implement it in 2010, following an amendment to relevant ordinances in September next year. Fierce discussion will likely take place at hearings.

The Tokyo Metropolitan Government will obligate large business entities that use fuels and electricity equivalent to more than 1,500 kilo litters in terms of crude oil. Such entities would include department stores, office buildings and plants. Approximately 1,300 entities will be subject to the regulation. Some sort of penalty is planned for companies that fell short of achieving their targets. In order for such companies to meet their targets, they will be asked to purchase emissions cut by small and medium-size companies. The Kyoto Protocol imposes a high emissions cut target on Japan. In order to clear this target, Japan has no choice but to purchase emissions rights. Tokyo intends apply a similar system to each business entities.

Business circles are putting up fierce objection to the decision noting that economic activities will be hampered due to efforts to achieve imposed targets. They are also increasingly alarmed about the possibility of such a regulation spreading throughout the nation. Voices suspecting whether a reduction target to be set by the Tokyo Metropolitan Government is rational are being heard.

SCHIEFFER